

**77th MEETING**  
**OF THE**  
**MARYLAND HEALTH CARE COMMISSION**

**Wednesday, October 19, 2005**

**Minutes**

Chairman Salamon called the meeting to order at 1:12 p.m.

Commissioners present: Wilensky, Conway, Krumm, Moffit, Moore, Nicolay, Risher, Row, Todd, and Toulson

Chairman Salamon introduced and welcomed new Commissioners Reverend Robert L. Conway and Sharon K. Krumm, R.N., Ph.D. to the Commission.

**ITEM 1.**

**Approval of the Minutes**

Commissioner Robert Moffit made a motion to approve the minutes of the September 15, 2005 meeting of the Commission, which was seconded by Commissioner Debra Herring Risher, and unanimously approved.

**ITEM 2.**

**Update on Commission Activities**

- Data Systems and Analysis
- Health Resources
- Performance and Benefits

Rex W. Cowdry, M.D., the Commission's Executive Director, updated the Commission members on the strategic planning process. Dr. Cowdry and Pamela W. Barclay, Deputy Director of Health Resources, jointly presented a citation from Anthony S. McCann, Secretary of the Department of Health and Mental Hygiene, to Commission staff member Nadine Connor in recognition of thirty-five years of public service as an employee of the State of Maryland.

Ben Steffen, Deputy Director of Data Systems and Analysis, provided an update on access to the Commission's website and on pharmacy benefits and prices. Bruce Kozlowski, Deputy Director of Performance and Benefits, provided an update on the Commission's Small Group Reform initiative and the press conference regarding the release of this year's HMO "report card". Copies of the *Update* were made available on the documents table at the meeting and on the Commission's website at: <http://mhcc.maryland.gov/mhccinfo/minutes.htm>.

### ITEM 3.

#### **ACTION: CERTIFICATE OF NEED (CON)**

- **Clifton T. Perkins:** Certificate of Need for Addition of 48-Special Hospital Psychiatric Beds, Docket No. 04-13-2132

Chairman Salamon announced that the next agenda item would be consideration of three applications for Certificates of Need. Susan Panek, Chief of Certificate of Need, said that the Department of Health and Mental Hygiene has submitted an application for Certificate of Need to increase by 48 beds the licensed bed capacity at the Clifton T. Perkins Hospital Center, a 250-bed forensic psychiatric hospital operated by the Mental Hygiene Administration. The 48 new special hospital-psychiatric beds will be located in a new section of the maximum security wing at the hospital center, to be constructed at a cost of approximately \$11,624,000. In addition to the primary focus of the project, the budget also includes \$1.8 million for a security system of sufficient capacity and capability to accommodate the entire facility, including a planned renovation of the existing North Wing, which will result in the conversion of its 80 medium-security beds to 64 maximum-security beds.

The General Assembly appropriated an initial \$9,625,000 in General Obligation bond funding in 2004 when it approved the Perkins project as part of that session's consolidated capital budget. The Department secured a supplemental appropriation of \$1,870,000 for the project during the 2005 session. The operation of the forensic psychiatric hospital at Perkins is totally supported with State General Funds.

Staff concluded that the capital project proposed by Perkins meets all applicable State Health Plan standards, and complies with the Commission's general CON review criteria. Accordingly, staff recommended that the Commission **approve** DHMH's CON application to increase the maximum-security capacity at Perkins by 48 beds, and undertake the related expenditure of \$11,624,000 for the construction and renovation.

Commissioner Constance Row made a motion to approve the CON, which was seconded by Vice Chair Gail R. Wilensky, and unanimously approved.

#### **ACTION: Clifton T. Perkins: Certificate of Need for the Addition of 48-Special Hospital Psychiatric Beds, Docket No. 04-13-2132, is hereby APPROVED.**

- **Sinai Hospital of Baltimore:** Certificate of Need for Addition of 4-Mixed Use Operating Rooms and Expanded Support Services, Docket No. 05-24-2160

Ms. Barclay said that Sinai Hospital of Baltimore ("Sinai") is seeking Certificate of Need approval to expand its operating room capacity from 20 to 24, increase its Post Anesthesia Care Unit ("PACU") beds from 20 to 28, expand and renovate its Pathology Laboratory, construct a family waiting area, and relocate the hemodialysis unit.

Staff found that Sinai Hospital's proposed project is consistent with the applicable State Health Plan (COMAR 10.24.10) standards and with the general CON criteria found at COMAR 10.24.01.08G(3)(a)-(f). The total capital cost of the project (including capitalized construction interest) is \$15,090,051, with additional financing costs and cash requirements of \$30,000, which results in a total project cost of \$15,120,051. Sinai Hospital proposes to finance the project with a cash equity contribution of \$3,780,013, and authorized bonds in the amount of \$11,340,038. For

reasons presented in the Staff Recommendation, staff recommended that the Commission **approve** Sinai Hospital's CON application. Ms. Barclay introduced Joel Suldán, Susan Whiteside, Howard Sollins, and Andrew Solberg, members of the hospital's staff, its counsel, and its consultant. Commissioner Moffit made a motion that the Commission approve the Certificate of Need, which was seconded by Commissioner Nevins W. Todd, Jr., M.D., and unanimously approved.

**ACTION: Sinai Hospital of Baltimore: Certificate of Need for the Addition of 4-Mixed Use Operating Rooms and Expanded Support Services, Docket No. 05-24-2160, is hereby APPROVED.**

- **Lorien LifeCenter-Ellicott City:** Certificate of Need for the Relocation of an Approved, but Unbuilt 63-Bed Nursing Home, Docket No. 05-13-2159

Rhoda Wolfe-Carr, Health Policy Analyst, said that Lorien LifeCenter-Ellicott City sought a third CON for a 63-bed comprehensive care facility for which Lorien initially received a CON in 1998 (Docket No. 98-13-2035), for a project located at Carl's Court, near the intersection of North Ridge Road and Route 40, Ellicott City, Howard County, Maryland. In January 2002, Lorien received a second CON (Docket No. 01-13-2084) to relocate its proposed project to a site off of Resort Road, near the intersection of Marriottsville Road and I-70 in Ellicott City, Howard County.

The proposed 63-bed comprehensive care and 74-unit assisted living facility will be in a structure consisting of a basement level and three above-level floors. The comprehensive care component of the facility will be located on the third floor, with assisted living units located on the first and second floors. The entire facility will comprise 95,585 square feet.

The estimated total cost of the Lorien LifeCenter-Ellicott City project (both comprehensive care and assisted living) is \$14,730,000, with the 63-bed comprehensive care component costing \$5,770,000, and the 74-unit assisted living component, located under the same roof as the CCF beds, costing \$8,960,000. The project will be financed by a cash contribution of \$3,500,000, a mortgage of \$9,835,000, and working capital loans of \$750,000.

Commission staff analyzed the proposed project's compliance with applicable State Health Plan criteria and standards and with applicable CON review criteria and recommended that the Commission **approve** the application for Certificate of Need by Lorien LifeCenter-Ellicott City and that, given the extensive history of this project and Lorien's history in other nursing home projects, that the CON be subject to the following conditions:

1. Lorien LifeCenter-Ellicott City has until no later than October 19, 2008, 36 months after the Commission's approval of this Certificate of Need, in which to obtain a license and begin operating the proposed nursing facility.
2. The performance requirements in this Certificate of Need are not subject to extension under COMAR 10.24.01.12E or other authority, except for extraordinary cause shown.

Following discussion, Commissioner Row made a motion that the Commission approve the Certificate of Need, which was seconded by Commissioner Clifton Toulson, Jr. Voting in favor of the motion were Commissioners Wilensky, Conway, Krumm, Moffit, Moore, Nicolay, Row, Todd, and Toulson. Commissioner Risher opposed the motion.

**ACTION: Lorien LifeCenter-Ellicott City: Certificate of Need for the Relocation of an Approved, but Unbuilt 63-Bed Nursing Home, Docket No. 05-13-2159, is hereby APPROVED.**

**ITEM 4.**

**ACTION: CERTIFICATION OF ELECTRONIC HEALTH NETWORKS:**

- **ANS – Renewal**
- **Health Care Administration Technologies - 1<sup>st</sup> Time Certification**
- **Health Data Management – Renewal**
- **ProxyMed – Renewal**
- **EMDEON (formerly WebMD) – Renewal**

Chairman Salamon said that David Sharp, Chief, EDI Programs & Payer Information Systems, would present requests for certification of five electronic health networks. Dr. Sharp said that four requests for certification were renewals. The fifth, Health Care Administration Technologies, was a new certification. Staff recommended that the Commission approved the certification of the applicants as electronic health networks. Commissioner Moffit made a motion that the Commission accept the staff recommendation, which was seconded by Vice Chair Wilensky, and unanimously approved.

**ACTION: CERTIFICATION OF ELECTRONIC HEALTH NETWORKS is hereby APPROVED for:**

- **ANS;**
- **Health Care Administration Technologies;**
- **Health Data Management;**
- **ProxyMed; and**
- **EMDEON (formerly WebMD)**

**ITEM 5.**

**Motion to Adjourn to Closed Session to Consult with Counsel**

Commissioner Moffit made a motion that the Commission go into closed session to consult with the Commission's counsel to seek legal advice. Commissioner Robert E. Nicolay seconded the motion, which was approved unanimously. Chairman Salamon requested that everyone leave the meeting room with the exception of the Commissioners, Dr. Cowdry, Ms. Barclay, and Suellen Wideman, AAG. He noted that the only remaining agenda item following the closed session would be adjournment of the meeting. The meeting was closed to the public at 1:52 p.m., pursuant to State Government Article, Section 10-508(7). Present in the closed session were Chairman Salamon, Vice Chair Wilensky, and Commissioners Conway, Krumm, Moore, Nicolay, Risher, Row, Todd, and Toulson, as well as Dr. Cowdry, Ms. Barclay, and Ms. Wideman. In the closed session, a motion was made and seconded regarding the resolution of a pending legal matter and potential related legal matters. The motion carried, and the closed session ended at 2:34 p.m.

**ITEM 6.**

**Hearing and Meeting Schedule**

The public session resumed at 2:34 p.m.. Chairman Salamon announced that the next meeting of the Commission would be on Tuesday, November 22, 2005 at 4160 Patterson Avenue, Room 100, in Baltimore, Maryland at 1:00 p.m.

**ITEM 7.**

**Adjournment**

There being no further business, the meeting was adjourned at 2:34 p.m. upon motion of Commissioner Moffit, which was seconded by Commissioner Toulson, and unanimously approved by the Commissioners.